



State of Louisiana
Division of Administration
Office of State Uniform Payroll

October 6, 2009

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2010-11

TO: All ISIS HR Paid Agencies

FROM: Andrea P. Hubbard
Director

SUBJECT: Updated Procedures for Deceased Employee's Final Payments

The Office of State Uniform Payroll (OSUP) has updated the Deceased Employee Final Payment procedures (attached). This memorandum supersedes the information previously reported in OSUP Memo #2003-13.

Wages paid on the behalf of a deceased employee follow special tax treatment and employer reporting requirements. When wages are paid after the death of an employee, regardless of when the wages were earned, the payment is taxable income to the payee (which is generally the estate of or a beneficiary of the deceased employee). Taxes withheld from such wages vary depending on the nature and timing of the payments. ISIS HR On-line Help aids agencies in processing the final payment for Year of Death (YOD) and Year after Death (YAD). Using the correct tax model will ensure the correct taxing of the payment and will allow OSUP to run reports to generate the necessary 1099(s) at year end.

Questions on employee master data changes should be submitted to the ISIS HR Help Desk via an ISIS HR [Help Desk Ticket](#). For any other questions, contact a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

Wendy Eggert	342-0714	Penny Jones	342-2053
Tiko Ary	342-1651	Cindy McClure	342-5346
Gary Bennett	342-1652	Tracy Smith	219-0191

APH:WRE/ral

Attachment: Updated Deceased Employee Final Payment Procedures (R 10/2/2009)

Deceased Employee Final Payment Procedures

1. Notify OSUP upon the death of an employee as soon as possible.
2. Refer to OSUP Memo #[2005-18](#), Update to the Bank Reversal Policy for Direct Deposits (EFTs), if a deceased employee has a payment sent via direct deposit (EFT) after their separation/date of death.
3. Follow ISIS HR On-line Help [Deceased Employee's Final Payments \(YOD/YAD\)](#) for instructions on processing the final payment.
4. Change the payee's name. The final payment may be payable to the deceased employee's surviving spouse or major child. In the event the deceased employee leaves no surviving spouse or major child, the check should be payable to Estate of (deceased employee's name). Note: [Act 24](#) of the 2005 Legislative Session eliminated the \$6,000 gross limit to a single payee.
5. Change the payment method to check. Delimit active "Other Bank" records. If it is necessary to process an off-cycle payment, contact the ISIS HR Help Desk for assistance in creating an IT9 bank details record for the pay period already processed.
6. Notify OSUP when the payment is entered into the ISIS HR system. OSUP will pull the check, verify for correct taxing then forward the check to the agency.

Upon the release of a deceased employee's final check, the following forms must be completed. These forms, along with copy of the check, must be forwarded to OSUP. The agency must also notify the Louisiana Department of Revenue within 10 days of the release of funds payable to the surviving spouse or major child ([R.S.9:1515](#)).

Louisiana Department of Revenue
Inheritance, Gift, and Estate Transfer Taxes Section
P.O. Box 201
Baton Rouge, LA 70821-0201

See below for the forms needed by OSUP and Department of Revenue:

Payments made to the surviving spouse or major child:

All of the forms below must be completed with the payee's name and Social Security number to ensure correct reporting. (Links to the IRS and OSUP websites have been provided for Form W-9 and the Form 1099 Request. See exhibit A and exhibit B for samples of the affidavit and release forms.)

Forms:

[Form W-9](#) (Taxpayer Identification Number & Certification)
[Form 1099 Request](#) (OSUP/F52)
Affidavit (sample, exhibit A)
Release (sample, exhibit B)

Copies Must Be Sent To:

OSUP
OSUP
OSUP & Revenue
OSUP & Revenue

(R 10/2/2009)

Payments made to the Estate of deceased employee:

All of the forms below must be completed with “Estate of (deceased employee’s name)” and the deceased employee’s Social Security number or the estate’s tax identification number. (Links to IRS and OSUP websites have been provided for Form W-9 and the Form 1099 Request. See exhibit B for sample of the release form.)

Forms:

Copies Must Be Sent To:

Form W-9 (Taxpayer Identification Number & Certification)	OSUP
Form 1099 Request (OSUP/F52)	OSUP
Release (sample, exhibit B)	OSUP

Exhibit A

**SAMPLE AFFIDAVIT FOR DECEASED WAGES
BEING PAID UNDER LA R.S. 9:1515**

Name of deceased employee: _____

Amount of check paid Gross: \$ _____ Net: \$ _____

Name of Payee: _____

*****FORWARD AFFIDAVIT AND A COPY OF THE RELEASE DOCUMENT TO THE
INHERITANCE SECTION OF THE DEPARTMENT OF REVENUE WITHIN TEN
CALENDAR DAYS OF THE RELEASE OF THE FUNDS**

Louisiana Department of Revenue
Inheritance, Gift, and Estate Transfer Taxes Section
P. O. Box 201
Baton Rouge, LA 70821-0201

Exhibit B

**SAMPLE RELEASE DOCUMENT FOR DECEASED WAGES
BEING PAID UNDER LA R.S. 9:1515**

Name of deceased employee: _____

Address of deceased employee: _____

Date and Place of death of deceased employee: _____
(Date) (Place of Death)

Relationship of payee to deceased employee: _____
(Surviving Spouse or if no Surviving Spouse, Adult child of deceased employee are the only acceptable payees under statute.)

Name and Address of surviving spouse, or children, if any, of deceased employee:
Add additional lines as needed.

(Name of Surviving Spouse or Child)

(Address of Surviving Spouse or Child)

(Name of Surviving Spouse or Child)

(Address of Surviving Spouse or Child)

(Name of Surviving Spouse or Child)

(Address of Surviving Spouse or Child)

(Name of Surviving Spouse or Child)

(Address of Surviving Spouse or Child)

(Witness 1)

(Date)

(Witness 2)

(Date)

I, _____ have received check no. _____ in the gross amount of
(Name of Payee)

\$ _____, net amount of \$ _____, on behalf of _____
(Deceased Employee)

on _____
(Date of Receipt)

(Signature of Payee)

(Date)